

# CASE STUDY

## COMMONWEALTH NEPHROLOGY ASSOCIATES



## SUMMARY

- Headquarters in Norfolk, Massachusetts, with seven total offices in the Metro West, Boston and South Shore areas
- Specializes in treating:
  - » Chronic Kidney Disease (CKD)
  - » End-Stage Renal Disease (ESRD)
  - » Electrolyte Disorders
  - » Hypertension (High Blood Pressure)
  - » Kidney Transplants
  - » Kidney Stone Prevention
- Serves both government and commercial payer populations
- Five Board-certified, fellowship-trained nephrologists on-staff

***"In just a few months, we were able to move from being behind the curve on RCM to being one of the most effective and efficient nephrology practices in the country."***

## THE CHALLENGE

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- Revenue cycle management (RCM) involved manual processes
- Billing manager who had been with the practice since inception and who carried the institutional knowledge was planning to retire
- Demographic information captured from hospitals was inefficient, leading to delays in billing, denials and lost revenue
- Limited ability to run reports that would track key performance indicators or lead to discussions about areas that needed improvement
- Lack of a comprehensive, integrated system to ensure efficient revenue cycle workflows and processes was impacting the practice's ability to collect their money

## THE SOLUTION

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- Partnered with Acumen Physician Solutions to implement a nephrology-specific, comprehensive technology solution, and "white-glove" revenue cycle management services
- Worked with a dedicated nephrology-specific RCM expert team to implement industry standard policies, procedures, protocols and workflows
- Implemented automated processes with Acumen 2.0 powered by Epic to minimize claim errors, leading to increased collections, productivity and revenue
- Used analytics to quickly obtain information that will help improve operations and outcomes, including how to avoid future denials, as well as analyze benchmarks and metrics to enhance best practices, increase foundational decision-making and future-proof the practice with MIPS, MACRA, ESCOs, value-based care and other initiatives
- Used Acumen Mobile Charge Capture (AMCC) to capture hospital consultation follow-ups in the office
- Enabled instant interoperability with local hospitals and clinics through the use of Epic Care Everywhere
- Provided coding review on specifically identified charges

## THE RESULTS

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- Overall net collection rate (NCR) increased from 85% to 93% in nine months
- Days in Accounts Receivable (DAR) reduce from 54.5 to 31.8
- Clean claim rate 99%
- Overall denial rate is 6.5%
- Reduced software spend by bundling Acumen RCM and Acumen 2.0 powered by Epic

# BACKGROUND

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For most nephrology practices, office visits constitute a fraction of the practice's overall revenue. Instead, most reimbursement is skewed toward encounters in hospitals and dialysis clinics. In fact, according to figures from a benchmark survey by the Renal Physicians Association (RPA), hospitals and dialysis clinics each account for 40% of revenue, while the remaining 20% come from patients visiting their nephrologists in the office.

One of the challenges this breakout of revenue presents is that while hospitals and dialysis clinics focus on capturing reimbursement information for their facility billing, nephrology practices must capture professional billing for their encounters. Since most hospital or dialysis clinics do not account for the practice's professional charges within their normal RCM processes, the additional burden to provide the required documentation is placed on physicians, which can lead to missed billing opportunities and physician burnout due to the extra work. The responsibility may also fall on the practice staff, who must add to their busy day by performing manual, offline follow-up to complete and submit claims to Medicare or a commercial payer.

This time-consuming, inefficient process not only delays submission of the initial claim but can also lead to further delays or even outright

denials from the payer. When denials occur, the nephrology practice must then decide whether to re-work and re-submit the claim or write it off.

Since **overall healthcare industry figures show that 50% to 65% of denials are never worked**, the financial risk is significant.

The growth of high-deductible health plans (HDHPs) is an increasing concern as well. As patients take on more direct payment, nephrology practices will need to implement new processes and procedures to address self-pay collections. Currently, the RPA benchmark survey shows that the average practice has 2.7% of its income tied to self-pay patients, with those in the 75th percentile going as high as 4.1%. These numbers are expected to rise even more over the next few years as more Americans move into HDHPs.

The result, according to the RPA benchmark survey, is that the typical practice writes off nearly 9% of its total income. **The more nephrology practices can do to ensure the data they need is collected before the time of service, the more they can improve their entire cash flow.**

# THE CHALLENGE

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Commonwealth Nephrology Associates, a Norfolk, Massachusetts-based practice with five nephrologists and a total of seven outpatient locations and 10 dialysis centers serving patients at five hospitals and two rehab facilities throughout the areas of Boston, Metro West and the South Shore, certainly understood these challenges.

As a specialty practice, Commonwealth Nephrology Associates has always relied on referrals from area hospitals and physicians. Patients who had received a diagnosis of CKD from their primary care physician or other provider would often be given the name of one of Commonwealth Nephrology Associates' physicians in a relatively informal arrangement. That process began to change in the second decade of the 21st century with the advent of accountable care organizations (ACOs) driven by CMS.

"Most of the hospitals in our service area are now part of an ACO," says Denise Eaton, Practice Administrator at Commonwealth Nephrology Associates. "Because they are carrying greater risk for the health of their patients and the outcomes that are generated, as well as the overall revenue, the ACOs are maintaining much tighter control. They want all referrals, whenever possible, to remain within their networks. There is a much bigger push to obtain a referral for all care, which means the administration of those referrals must be more precise. That has created more work on our end."

As recently as 2012, the billing department at Commonwealth Nephrology Associates consisted of just three people, all of whom had been with the practice since it opened. That number grew to include two more at the front desk due to the growth of the practice. Yet despite the additional help practice leaders still felt there was additional room for improvement in revenue cycle management.

"Our billing staff was doing what they could with the systems they had, but there were concerns that we didn't know what we didn't know," says Steven Spiegel, MD, a Partner at Commonwealth Nephrology Associates. "We recognized that revenue cycle management in nephrology has

become much more complex over the last 5-10 years and were concerned that the practice as a whole hadn't kept up with the changes. **We were sure we were leaving money on the table, but since we weren't able to compare our organization to peers in the area or national averages we didn't know how much or where we could make improvements."**

Another significant challenge occurs when the practice's nephrologists are called in to meet with a new patient in the hospital.

"The hospitals we work with are generally focused on gathering the patient demographics and other information they need for insurance purposes," Eaton says. "But that is often not the same information we need. If the patient is already in our system, it's not a problem. But if one of our physicians is doing a consult for a patient we have never seen, it can be a big deal. We have to try to obtain their information from the hospital and then verify it so we can submit a claim. Trying to put all of that together can be difficult, as it can take a lot of back and forth between our offices and the hospitals or clinics."

There were also overall concerns about the way health plans were being managed. Although Commonwealth Nephrology Associates works with a wide range of health plans, they came to discover that some of their nephrologists were credentialed on some health plans but not on others.

"I know I was seeing patients without being on their health plans, although I didn't realize it at the time," Dr. Spiegel says. "That means we weren't able to submit a claim for that work. Getting onto a plan requires filling out a one-page form, but you need to know the paperwork is missing in order to correct the situation."

When the Billing Manager announced her impending retirement, practice leaders decided it was time to explore new, more technology-driven approaches to RCM.

# THE SOLUTION

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About the time Commonwealth Nephrology Associates was looking into several RCM options that included both internal software and external solutions, it was also in the midst of upgrading its EHR from Acumen 1.0 to Acumen 2.0 powered by Epic, which is the only nephrology-specific EHR available in the marketplace. Roughly halfway through the EHR upgrade, one of the Acumen team members heard about the search for a new RCM solution and suggested the practice look into its Acumen RCM service.

**“The idea of having an RCM solution that was already fully integrated with our EHR was very appealing,” Eaton explains. “That alone would save us time and money versus having to add an integration project to our list of needs.”** We were

already big fans of the original Acumen EHR, and excited for what the new version would bring – especially with its basis in Epic, which is the EHR of choice of nearly all the hospitals and clinics we work with. Knowing that Acumen RCM would be ready to go as soon as the Acumen 2.0 implementation was complete made it an easy choice for our physicians.”

Another advantage to working with Acumen Physician Solutions as a company was its specific nephrology expertise, according to Dr. Spiegel.

“As time has gone on, nephrology billing has become more complex,” he says. “We thought it would be helpful to work with an organization that knows the nephrology world, and the nuances of nephrology billing, inside and out versus working with a general RCM organization. That plus the deep integration with the Acumen EHR really helped drive the decision.”

Work on the transition to the Acumen RCM solution began in 2018, and Commonwealth Nephrology Associates went live with it on February 1, 2019. The

Acumen and practice teams worked closely to ensure everything would go smoothly, and that the practice was prepared for the changes that would come.

“RCM isn’t just about billing and collections,” Eaton says. “It encompasses everything from payer contracting until the patient pays the last bill. The Acumen team spent a couple of days with us just observing what the patient journey looked like. They then used that information to help us establish new administrative and human relations policies, procedures and workflow that would make us more efficient while helping us capture more revenue. Once we passed the go-live they stayed with us for a couple more weeks to handle any issues and help us however they could. Overall it was a great experience and a great team effort.”

One of the biggest advantages of Acumen RCM is the experience and specialization of each of its experts. Rather than an “everyone handles everything on an account approach,” **Acumen RCM is staffed by individuals who have a deep understanding of their specific area, such as the most effective way to collect from payers or the factors that tend to result in a denial from a particular payer.**

This narrow concentration on specific areas enables Acumen RCM to avoid issues up-front and shorten other aspects such as accounts receivable days outstanding or the time it takes to track down insurance information for a particular patient. The mobile aspect of Acumen 2.0 and RCM is another plus.

“Our physicians spend the bulk of their time away from the office at hospitals and dialysis clinics,” Eaton says. “They don’t want to have to take notes and wait until they come back to an office to enter those notes. With Acumen they don’t have to. They can use its mobile charge capture capabilities

to enter the data in real time on-site, and it comes back into the system immediately so the appropriate billing can occur. All of our physicians are very busy, so they are loving this aspect of Acumen RCM."

The enhanced analytics and dashboards that come with Acumen RCM have been well-received as well. Prior to the implementation, the practice only had a general idea of how it was performing, and even then, the physicians' view was limited to a few key parameters.

"We had a meeting after the first three months, and **the Acumen team gave us charts and graphs that probably gave us 100 times more data about our financial status and billing practices than we'd had in the previous 15 years,"** says Dr. Spiegel. **"We were able to see how each member of the practice was billing things, and where our gaps were against each**

## **other and against national averages.**

The data also gave us a clearer picture of where to deploy our limited resources. If one of our nephrologists had a little extra time, we could see that putting him or her in location X would generate more revenue than going to location Y."

Eaton continues to find the data being generated through Acumen RCM to be highly valuable in managing the practice.

"Now we can use the analytics to drill down instantly into any aspect we want and use the dashboards to monitor how we're performing at any given time on all our KPIs," she states. "We can quickly generate detailed reports to see what we're doing well and where we need to make changes to improve efficiency. We've really only begun to scratch the surface of what the analytics can do, and just now recognizing the more in-depth questions we'd like to answer. The information we can obtain is already 10 times more than we could do before, and we're looking forward to learning more as time goes on."

# THE RESULTS

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The bundling of Acumen RCM with Acumen 2.0 powered by Epic created immediate savings in software spend over procuring RCM services and a new EHR separately. More importantly, however, it also had a profound and immediate impact on the financials at Commonwealth Nephrology Associates.

**For example, in just nine months days in Accounts Receivable has been reduced from 54.5 days to 31.7 days, which is well below the industry standard of 37.4 days. This is due in large part to the 99% clean claim rate Commonwealth Nephrology Associates now achieves.**

The overall denial rate is 6.5%, also below the industry standard of 7% to 10%, eliminating much of the often difficult and tedious task of re-working claims.

“With the data we’re generating, it’s easy to see whether each of us billing correctly, over-billing or under-billing,” Dr. Spiegel says. “The office staff is also seeing benefits. They have a better sense of any issues we may have with insurance plans

so they can rectify the situation quickly. Prior to Acumen we might see patients without knowing we didn’t have a referral or that they did didn’t have insurance. When that happened, we wouldn’t realize the revenue. **Now the staff can easily verify insurance and make sure referrals are in place before we see the patients, which we expect to improve our revenue significantly down the road.**

Overall, the number net collection rate (NCR) has increased from 85% prior to the implementation of Acumen RCM to 93%.

“While we had high hopes for the implementation, the results we have generated so far have exceeded all of our expectations,” a delighted Eaton says. “In just a few months we were able to move from being behind the curve on RCM to being one of the most effective and efficient nephrology practices in the country.”

“A small practice like ours can’t afford to leave any money lying on the table,” she adds. “Acumen RCM ensures we don’t.”



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